



RECORDATION NO. 30432 FILED

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SURFACE TRANSPORTATION BOARD

OCT 13 2012

September 26, 2012

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Section Chief

I have enclosed an executed original and one copy of the document described below, to be recorded with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the U.S. Code

This document is a Rolling Stock Mortgage, Security Agreement, Assignment of Interest in Leases, and Financing Statement, a primary document that has not been previously recorded, dated September 25, 2012

The names and addresses of the parties to the document and equipment description are

Secured Party	Bank of Travelers Rest Post Office Box 1067 Travelers Rest, SC 29690
Debtor/Mortgagee	Greenville & Western Railway Company LLC Post Office Box 1729 Taylors, SC 29687
Equipment	EMD GP39M Locomotive, Unit # BNSF 2464 (Serial # 28088) EMD GP39M Locomotive, Unit # BNSF 2473 (Serial # 28098)

A check in the amount of \$42.00 is enclosed for payment of the filing fee. Please record the document as a primary document and return the original, recorded document by mail in the enclosed envelope to the undersigned.

Thank you for your assistance with this matter. Please do not hesitate to contact me at (864)660-7620 should you have any questions or require any additional information.

Sincerely,

Thomas H. Coker III
Vice President

OCT 03 '12 -4 13 PM

SURFACE TRANSPORTATION BOARD

ROLLING STOCK CHATTEL MORTGAGE, SECURITY AGREEMENT
ASSIGNMENT OF INTEREST IN LEASES
AND FINANCING STATEMENT

GRANTOR: Greenville & Western Railway Company, LLC
Post Office Box 1729
Taylors, South Carolina 29687

Western Carolina Railway Service Corporation
Post Office Box 1729
Taylors, South Carolina 29687

Aiken Railway Company, LLC
Post Office Box 1729
Taylors, South Carolina 29687

SECURED PARTY: Bank of Travelers Rest
Post Office Box 1067
Travelers Rest, South Carolina 29690

COLLATERAL: One EMD GP39M Locomotive
Unit # BNSF 2464 (Serial # 28088)

One EMD GP39M Locomotive
Unit # BNSF 2473 (Serial # 28098)

DATED: September 25, 2012

THIS ROLLING STOCK CHATTEL MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF INTEREST IN LEASES AND FINANCING STATEMENT (this "Agreement") made and entered into by and between Bank of Travelers Rest ("Secured Party"), whose address is Post Office Box 1067, Travelers Rest, South Carolina 29690, and Greenville & Western Railway Company, LLC ("Grantor" or "G&W"), whose address is Post Office Box 1729, Taylors, South Carolina 29687 as follows:

WHEREAS, Grantor, Western Carolina Railway Service Corporation ("WCRS") and Aiken Railway Company, LLC ("ARC"), jointly and severally as tri-borrowers (Grantor, WCRS and ARC are collectively referred to as "Borrower") are justly indebted to Secured Party in the amount of Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) (the "Loan"); and

WHEREAS, the Loan is evidenced by, among other things, a certain Promissory Note dated of even date herewith in the original principal sum of Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) from Borrower to Secured Party (the "Note"); and

WHEREAS, Grantor, in order to secure the payment under the Note, has agreed to grant to Secured Party the Security Interest defined below; and

WHEREAS, it will be to the direct financial interest and benefit of Grantor to grant Secured Party the Security Interest.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which is incorporated in and made a part of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Secured Party covenant and agree as follows:

1. Obligations. The Security Interest is herein created to secure the Loan.

2. Agreement and Collateral. For value received, Grantor hereby grants to Secured Party a security interest ("Security Interest") in the following described equipment and certain leases relating thereto, together with the additional property described in Section 3F hereof (the "Collateral"), to-wit:

- (i) Two EMD GP39M Locomotives, described in and bearing the identification numbers set forth in "Exhibit A" attached hereto (the "Rolling Stock") and made a part hereof for all purposes and any management agreements relating thereto;
- (ii) The rights of the Grantor under certain lease agreements now or hereafter applicable to all or any portion of the Rolling Stock, including, but not limited to, those certain lease agreements (hereinafter collectively the "Lease Agreements") by and between Grantor and those entities described on "Exhibit B" hereto and any subsequent lessees,
- (iii) All Commercial Tort Claims and all Proceeds (as those terms are defined in the UCC), records relating to or arising out of those items of Rolling Stock described in subsections (i) and (ii) above.

"UCC" means Uniform Commercial Code as in effect in the state in which the Collateral is located, as the same has been or may be amended or revised from time to time.

3. Grantor's Warranties, Covenants and Further Agreements

A. Title. Except for the Security Interest granted hereby, Grantor owns or on acquisition will own, the Collateral free from any lien, security interest, encumbrance or claim (except liens for current taxes not due) and Grantor will, at Grantor's cost, keep the Collateral free from any other lien, security interest,

encumbrance or claim, and defend the Security Interest and Grantor's rights in the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Grantor is the duly registered owner of the Collateral, and, in that respect and to the extent applicable, Grantor's ownership interest is perfected pursuant to a proper registration under the Revised Interstate Commerce Act, as amended, and Grantor qualifies in all respects as a citizen of the United States as defined in said Act. Grantor has the power and authority to execute and deliver this Agreement. The execution, delivery, and performance of this Agreement by Grantor do not and will not violate any law of any rule, regulation or order of any governmental authority. This Agreement and any instrument or document which is, or shall be, included in the Collateral is, and shall be, genuine and legally enforceable and free from any setoff, counterclaim or defense.

B. Recorded Instruments. No conveyance, financing statement or other instrument affecting Grantor's title to the Collateral or any part thereof is on file in any public office. At Secured Party's request Grantor will execute all financing statements and other instruments and take all other actions deemed necessary by Secured Party to perfect the Security Interest and Grantor will pay all costs thereof. A carbon, photographic or other reproduction of this Agreement or of any financing statement covering the Collateral shall be sufficient as a financing statement and may be filed as a financing statement. The address or Grantor designated at the beginning of this Agreement is Grantor's place of business if Grantor has only one place of business; Grantor's chief executive office if Grantor has more than one place of business; or Grantor's residence if Grantor has no place of business.

C. Assignment. Grantor will not sell or otherwise dispose of all or part of the Collateral. Secured Party may assign or transfer all or part of its rights in, and obligations, if any, under the Note and this Agreement.

D. Liens. Grantor shall not create or permit to exist any lien, encumbrance or security interest upon or with respect to the Collateral now owned or hereafter acquired, in favor of anyone other than Secured Party, and Grantor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Grantor shall further perform any and all acts reasonably requested by Secured Party to establish, perfect, maintain and continue Secured Party's security interests and liens upon the Collateral including, but not limited to: (i) executing financing statements, documents or certificates of title and any and all other instruments and documents (including, without limitation, any instruments to be filed with the Surface Transportation Board) when and as reasonably requested by Secured Party, and (ii) causing the Lessees of any part of the Collateral to execute and deliver to Secured Party waivers or subordinations satisfactory to Secured Party with respect to any rights in such Collateral.

E. Taxes. Grantor shall pay or cause to be paid promptly, and in every case prior to becoming delinquent all taxes and assessments on or relating to the Collateral, or for its use or operation, or upon this Agreement or the Loan, or

with respect to the perfection of any security interest or other lien hereunder (except as otherwise required by law); provided, however, that Grantor shall not be required to pay any such tax or assessment the payment of which is being contested in good faith and by appropriate proceedings being diligently conducted and for which adequate reserves in form and amount acceptable to Secured Party have been provided, except that Grantor shall cause (i) to be paid all taxes and assessments upon the commencement of proceedings to foreclose upon any lien on the Collateral unless such foreclosure is stayed by the filing of an appropriate bond, and (ii) any arrest, seizure, levy, custody of or other detainer of any of the Collateral to be released within ten (10) days by filing an appropriate bond or undertaking or be securing such discharge or release by stipulation or otherwise and Grantor shall execute and deliver to Secured Party on demand appropriate certificates attesting to the payment or deposit thereof.

F. Insurance. Grantor shall, at all times, keep all Collateral insured against loss, damage, theft and other risks by maintaining policies in such amounts and with companies and under such policies and in such form, all as shall be acceptable to Secured Party. Grantor shall maintain single limit public liability and property damage insurance of not less than \$2,000,000.00 per occurrence, or such greater or lesser amount as Secured Party may from time to time request on notice to Grantor. Grantor shall cause such insurance policies to be written with loss payable clauses providing in effect that the proceeds of any property insurance policy paid on account of any loss shall be paid to Secured Party, which proceeds shall be disbursed by Secured Party to Grantor for repair, restoration or replacement of the damaged property, under the terms and conditions of the following subparagraph G, or applied by Secured Party. Grantor shall maintain such other insurance as may be required by law. Grantor shall furnish Secured Party with a copy or certificate of each such policy or policies and prior to any expiration or cancellation, each renewal or replacement thereof.

G. Event of Loss. Proceeds of insurance received by Grantor on account of any partial loss may be used by Grantor or Grantor's Lessee for the purpose of making repairs to such Collateral so long as (i) no Default or Event of Default under this Agreement has occurred and is continuing and (ii) Grantor provides certification to Secured Party of the repairs made on completion of such repairs. If a Default or Event of Default under this Agreement has occurred and is continuing, all insurance proceeds received by Secured Party on account of any loss of or damage to any of the Collateral may, at the option of Secured Party, either (i) be used and applied for the sole purpose of paying the cost of repair, restoration or replacement of the Collateral damaged or destroyed, and Grantor shall provide Secured Party with an appropriate certification by a qualified engineer that any such repair, restoration or replacement which exceeds \$10,000.00 in cost has been completed, or (ii) be applied to the payment of the Loan in such order and manner as Secured Party may elect.

H. Maintenance. Grantor will maintain and keep the Collateral in good condition and repair and will maintain, service, repair, overhaul and test the Collateral so as to keep the Collateral in good operating condition in

conformity with any applicable mandatory manufacturer's operating manual, instructions or service bulletins and the Collateral shall be maintained in good standing at all times under all applicable federal and state law. Grantor agrees that the Collateral will not be maintained, used or operated in violation of any policy of insurance or any law or any rule, regulation or order of any governmental authority having jurisdiction. Grantor will maintain all records, logs and other materials required by applicable state and federal law and regulation to be maintained in respect of the Collateral and Secured Party or its agents shall have the right to inspect the Collateral and examine, audit and copy all records, logs and other material relating to the Collateral. Grantor will not enter into any pooling arrangement affecting the Security Interest in the Collateral or any part thereof. At any time Grantor shall furnish reports, data and financial statements, including audits by independent public accountants, in respect of the Collateral and Grantor's business and financial condition as Secured Party may require. Grantor will pay promptly when due all taxes and assessments on the Collateral or for its use and operation and all costs, expenses and insurance premiums necessary to preserve, protect, maintain and collect the Collateral. Secured Party may, at its option, discharge such costs, expenses and premiums for the repair, maintenance, and preservation of the Collateral and all sums so expended shall be part of the Loan and shall bear interest at the maximum rate permitted by applicable law.

I. Notice of Certain Events. Grantor shall give Secured Party notice of any attachment, lien, judicial process, encumbrance or claim affecting, or any other event which may adversely impact any Collateral and any casualty to or accident involving any Collateral.

J. Cargo. Grantor shall not use the Collateral or permit it to be used for the transportation or storage of any Hazardous Substance except in strict compliance with all applicable Environmental Laws and applicable Occupational Safety and Health Laws and provided Grantor maintains insurance of a kind and in an amount generally carried by Persons engaged in the same or similar transportation of Hazardous Substances as is Grantor.

K. General Indemnity. Grantor hereby agrees to indemnify, pay and hold Secured Party and any holder of the Note and the officers, directors, employees, agents and affiliates of Secured Party and any such holder or holders (collectively, the "Indemnitees") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, incurred by or asserted against the Indemnitees in any manner relating to or arising out of this Agreement, the Note or any other agreement, document or instrument executed and delivered by Grantor or Borrower in connection herewith or therewith (collectively, the "Indemnified Liabilities"); provided that Grantor shall have no obligation to an Indemnatee hereunder with respect to indemnified liabilities arising from the gross

negligence or willful misconduct of that Indemnitee as determined by a court of competent jurisdiction in an final, non-appealable order. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Grantor shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 3(K) shall survive satisfaction and payment of the Note and the Loan and the termination of this Agreement.

L. Secured Party's Performance. Grantor will allow Secured Party, at its option, from time to time, to perform any agreement of Grantor hereunder which Grantor shall fail to perform and take any other action which Secured Party deems necessary for the maintenance or preservation of any of the Collateral or its interest therein (including, without limitation, the discharge of taxes, except as such taxes are being contested in good faith as permitted by Section 3 (E) above, or liens of any kind against the Collateral or the procurement of insurance or the payment of warehousing charges, landlord's bills or other charges), and Grantor agrees to forthwith reimburse Secured Party for all costs and expenses incurred by Secured Party in connection with the foregoing, together with interest thereon at a rate per annum equal to the lesser of 12% per annum or the highest rate allowed by law from the date incurred until reimbursed by Grantor. Secured Party may for the foregoing purposes act in its own name or that of Grantor and may also so act for the purposes of adjusting, settling or, upon the occurrence and continuation of an Event of Default, canceling any policy of insurance on the Collateral or endorsing any draft received in connection therewith in payment of a loss or otherwise, for all of which purposes Grantor hereby grants to Secured Party its power of attorney, irrevocable during the Term of this Agreement. In the event Secured Party, in its sole discretion, undertakes any action under this Section 4(L) at any time or from time to time, Secured Party shall be under no obligation to undertake any such action on any subsequent occasion, and Secured Party shall not be required to provide Grantor or any other person with any notice to take any action hereunder or of its intent not to take any action hereunder at any time or from time to time.

M. Additional Property. The Collateral includes (i) all products and proceeds of, accessions to, and substitutions and replacements for the property described in Section 2 above and all leases, subleases, rental agreements, charter agreements and other agreements relating to the property described in Section 2 above including, but not limited to, Grantor's right to receive any and all rents, lease payments, fees or other amounts under such leases, subleases or agreements, and (ii) all books, logs, records, registrations, schedules and warranties that relate to the collateral. Secured Party shall have the right to set off and apply against the Loan or any part thereof at any time, without notice to Grantor, any and all deposits or other sums at any time credited by or due from Secured Party to Grantor, whether in a special account or other account or represented by a certificate of deposit (whether or not matured), which deposits and other sums shall at all times constitute additional security for the Loan.

Grantor will immediately deliver all additional property to Secured Party upon receipt by Grantor, with proper instruments of transfer and assignment, if possession by Secured Party is necessary to perfect Secured Party's Security Interest or if otherwise required pursuant to this Agreement.

N. Change of Location. Grantor agrees that the Collateral will not be operated or located outside the State of South Carolina. Further, any lease of the Rolling Stock shall contain the following provision so as to provide protection to the Grantor and Secured Party for the possible event that the Rolling Stock is operated or located outside the State of South Carolina:

"Lessee agrees to the best of its ability to use the Rolling Stock exclusively in Lessee's own service within the boundaries of the State of South Carolina and to make no transfer or assignment of this Agreement, except that Lessee shall have the right to sublease any of the Rolling Stock; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain fully liable to Lessor under this Agreement. In the event the Rolling Stock is used outside the State of South Carolina, Lessee agrees to bear full responsibility for, to defend and to reimburse Lessor for any loss, damage and/or costs and expenses suffered by Lessor or claim against Lessor and for all costs and expenses, including legal costs and attorney's fees arising in any way from such movement. Subject always to the foregoing this Agreement inures to the benefit of and is binding upon the Lessor, its successors and assigns and the Lessee, its successors and assigns."

O. Condition. The Collateral is currently in good working order. Grantor will at all times keep the Collateral duly registered and/or recorded, whichever is applicable, with the Surface Transportation Board and all other federal and state authorities having jurisdiction and will not allow such registration or recordation at any time to expire or to be suspended, revoked, cancelled or terminated.

P. Notice of Changes. Grantor will immediately notify Secured Party of any change occurring in or to the Collateral, of any change in Grantor's principal place of business, chief executive office or residence, or of any change in any fact or circumstance warranted or represented by Grantor to Secured Party or if any Event of Default under this Agreement occurs.

4. Rights of Secured Party. Grantor hereby appoints Secured Party as Grantor's attorney-in-fact to do any act which Grantor is obligated by this Agreement to do, to exercise all rights of Grantor in the Collateral and to do all things deemed necessary by Secured Party to perfect the Security Interest and preserve, collect, enforce and protect the Collateral and any insurance proceeds

thereof, all at Grantor's cost and without any obligation on Secured Party so to act, including, but not limited to, transferring title into the name of Secured Party or its nominee or receipting for, settling, or otherwise realizing upon the Collateral. Secured Party may, in its discretion, require Grantor to give possession or control of the Collateral to Secured Party; take control of the Collateral or proceeds thereof and use cash proceeds to reduce any part of the Loan; require additional Collateral; notify the post office authorities to change the address for delivery of mail to Grantor to an address designated by Secured Party and to receive, open and dispose of mail addressed to Grantor; exercise such rights as Grantor might exercise relative to the Collateral, including, without limitation, the leasing, chartering, renting or other utilization thereof; give notices to account Grantors and other parties liable under the Collateral to make payment directly to secured Party; renew, extend or otherwise change the terms and conditions of any of the Collateral or the Loan; compromise, prosecute or defend any action, claim or proceeding concerning the Collateral; endorse any checks, draft, documents or instruments arising in connection with or pertaining to the Collateral; reject as unsatisfactory any property hereafter offered by Grantor as Collateral; designate, from time to time, a certain percentage of the Collateral as the loan value and require Grantor to maintain the Loan at or below such figure. Secured Party shall not be liable for any act or omission on the part of Secured Party, its officers, agents or employees, except willful misconduct. Secured Party shall not be responsible for any depreciation in the value of the Collateral or for preservation of rights against prior parties. Additionally and without regard to whether an Event of Default then exists, the Secured Party may, from time to time, and at any time, notify lessees of any part of the Collateral and direct them to make all future payments due under any lease directly to the Secured Party for immediate application to the Loan. The foregoing rights and powers of Secured Party may be exercised before or after default and shall be in addition to and not a limitation upon, any rights and powers of Secured Party given herein or by law, custom or otherwise.

5. Events of Default. Grantor shall be in default hereunder upon the happening of any of the "Events of Default" set forth in the Note and any other instruments executed in connection with the Loan.

6. Remedies of Secured Party upon Default. When an Event of Default occurs and at any time thereafter, Secured Party may declare all or any part of the Loan immediately due and payable and may proceed to enforce payment of the same and to exercise any and all of the rights and remedies provided by the Uniform Commercial Code ("Code"), as well as all other rights and remedies possessed by Secured Party under this Agreement at law, in equity or otherwise. Secured Party may also require Grantor, at Grantor's cost and expense, to assemble the Collateral and all log books and records relating thereto and make them available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to both parties. For purposes of the notice requirements of the Code, Secured Party and Grantor agree that notice given at least ten (10) days prior to the related action hereunder is reasonable. Secured Party shall have authority to enter upon any premises upon which the Collateral may be situated and remove the same therefrom. Expenses or retaking, holding,

maintaining, insuring, preparing for sale or lease, selling, leasing or the like shall include, without limitation, Secured Party's reasonable attorney's fees and legal expenses and all such expenses shall be recovered by Secured Party before applying the proceeds from the disposition of the Collateral toward the Loan. Secured Party may use its discretion in applying the proceeds of any disposition of the Collateral. All rights and remedies of Secured Party hereunder are cumulative and may be exercised singly or concurrently. The exercise of any right or remedy will not be a waiver of any other.

7. General.

A. Waiver by Secured Party. No waiver by Secured Party of any right hereunder or of any default by Grantor or Grantor shall be binding upon Secured Party unless in writing. Failure or delay by Secured Party to exercise any right hereunder or waiver of any default of Grantor shall not operate as a waiver of any other right, of further exercise of such rights or of any further default.

B. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, receivers, trustees and assigns where permitted by this Agreement. If this Agreement is signed by more than one Grantor, each Grantor shall be jointly and severally liable for all representations, warranties and agreements hereunder and all provisions hereof regarding the Loan or the Collateral shall apply to the Loan or Collateral of any or all of them. This Agreement shall constitute a continuing agreement applying to all future, as well as existing transactions, such future transactions being contemplated by Grantor and Secured Party. If the Loan shall at any time be paid in full this Agreement shall nonetheless remain in full force and effect with respect to any Loan thereafter incurred.

C. Applicable Law. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF SOUTH CAROLINA, EXCEPT TO THE EXTENT (A) OF PROCEDURAL AND SUBSTANTIVE MATTERS RELATING ONLY TO THE CREATION, PERFECTION AND/OR ENFORCEMENT OF THE LIENS, ASSIGNMENTS AND/OR SECURITY INTERESTS CREATED HEREIN AND TO THE ENFORCEMENT OF LENDER'S RIGHTS AND REMEDIES AGAINST THE PROPERTY, WHICH MATTERS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE COLLATERAL IS LOCATED; AND (B) THAT THE LAWS OF THE UNITED STATES OF AMERICA AND ANY RULES, REGULATIONS OR ORDERS ISSUED OR PROMULGATED THEREUNDER APPLICABLE TO THE AFFAIRS AND TRANSACTIONS OF LENDER AND/OR GRANTOR OTHERWISE PREEMPT SOUTH CAROLINA LAW OR THE LAWS OF THE STATE IN WHICH THE COLLATERAL IS LOCATED, IN WHICH EVENT SUCH FEDERAL LAW SHALL CONTROL. IN PARTICULAR, THE PARTIES HERETO AGREE THAT ALL ISSUES RELATING TO USURY, LIMITATIONS ON INTEREST, LOAN CHARGES AND COMMITMENT FEES PAYABLE UNDER THE LOAN AND THE LOAN DOCUMENTS SHALL BE GOVERNED BY SOUTH CAROLINA LAW.

WAIVER OF JURY TRIAL. RECOGNIZING THAT ANY DISPUTE HEREUNDER WILL BE COMMERCIAL IN NATURE AND COMPLEX, AND IN ORDER TO MINIMIZE THE COST AND TIME INVOLVED IN ANY DISPUTE RESOLUTION PROCESS, GRANTOR KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED UPON THIS TRANSACTION OR THIS INSTRUMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH ANY OF THE OTHER LOAN DOCUMENTS EXECUTED WITH THIS TRANSACTION, OR RESPECTING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF ANY PARTY AND ACKNOWLEDGE THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ENTERING INTO THIS LOAN TRANSACTION BY ALL PARTIES.

D. Notice. Any provision in this Agreement requiring or permitting notice or demand or request shall be deemed satisfied by written notice personally served on Grantor or Secured Party, as the case may be, or when mailed by U.S. certified mail, return receipt requested, postage paid, addressed to the principal business address of Grantor or Secured Party as the case may be, as set forth on the first page of this Agreement or as hereafter designated in writing as the address for notice hereunder by the one party to the other.

E. Modification. This Agreement shall not be amended in any way except by a written agreement signed by the parties hereto.

F. Severability. The unenforceability of any provision of this Agreement shall not affect the enforceability or validity of any other provision hereof.

G. Construction. If there is any conflict between the provisions hereof and the provisions of the Note, the latter shall control. The captions herein are for convenience of reference only and not for definition or interpretation.

H. Waiver by Grantor. Grantor hereby waives presentment demand, notice of intent to demand, notice of dishonor, protest, notice of acceleration, notice of intent to accelerate and notice to protect and all other notices with respect to collection or acceleration of maturity of the Collateral and the Loan.

8. Additional Terms. All exhibits and schedules attached hereto, if any, are hereby made a part hereof.

A. ENTIRE AGREEMENT. THIS AGREEMENT AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AGREEMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR

COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDING, WHETHER WRITTEN OR ORAL, RELATING TO THIS AMENDMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL ARGUMENTS AMONG THE PARTIES HERETO.

B. Counterparts. This Agreement can be in any number of counterparts each of which shall be deemed an original for purposes of enforcing the same and production of any original other than the original to be produced need not be required.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, Grantor has hereby executed this Agreement as of the day and year first above written.

GREENVILLE & WESTERN RAILWAY COMPANY, LLC, A SOUTH CAROLINA LIMITED LIABILITY COMPANY

By: Steven C. Hawkins {SEAL}
Steven C. Hawkins
Its: Member

By: Cheryl R. Hawkins {SEAL}
Cheryl R. Hawkins
Its: Member

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF GREENVILLE)

I, a notary public for said state and county, certify that Steven C. Hawkins and Cheryl R. Hawkins personally came before me this day and acknowledged that they are Members of Greenville & Western Railway Company, LLC, a South Carolina limited liability company, and that they are, as such Members of Greenville & Western Railway Company, LLC, being authorized to do so, executed the foregoing on behalf of the company.

WITNESS my hand and seal this 25th day of September, 2012.

De J. Jones {LS}
Notary Public for South Carolina

My commission expires: _____
**My Commission Expires
August 18, 2014**

IN WITNESS WHEREOF, Secured Party has hereby executed this Agreement as of the day and year first above written

BANK OF TRAVELERS REST

By: Thomas H. Coker III {SEAL}
Thomas H. Coker III
Its: Vice President

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF GREENVILLE)

I, a notary public for said state and county, certify that Thomas H. Coker III personally came before me this day and acknowledged that he is the duly authorized officer of Bank of Travelers Rest, and that he, as such officer of Bank of Travelers Rest, being authorized to do so, executed the foregoing on behalf of the bank.

WITNESS my hand and seal this 25th day of September, 2012.

Ki J. Owens {LS}
Notary Public for South Carolina
My commission expires: _____

My Commission Expires
August 18, 2014

"EXHIBIT A"

One EMD GP39M Locomotive, Unit # BNSF 2464
(Serial # 28088)

One EMD GP39M Locomotive, Unit # BNSF 2473
(Serial # 28098)

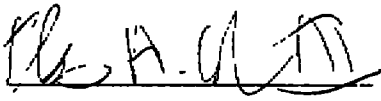
"Exhibit B"

Aiken Railway Company, LLC
Western Carolina Railway Service Corporation

Certification of Copy

I, Thomas H. Coker III Vice President of Bank of Travelers Rest, certify that I have personally examined the copy of the Rolling Stock Chattel Mortgage, Security Agreement, Assignment of Interest in Leases, and Financing Statement dated September 25, 2012 that is attached to this certification and find said copy to be complete and identical in all respects to the original document. I declare under penalty of perjury under the laws of the United States of America that the foregoing statements are true and correct.

Certified this 26th day of September 2012.

A handwritten signature in black ink, appearing to read 'T.H. Coker III', written over a horizontal line.

Thomas H. Coker III